

(d) what qualitative changes are likely to come in the domestic scenario of defence production through foreign capital investment?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. RAMAN): (a) No, Sir. The opening of defence industry sector to private sector participation, including foreign direct investment up to 26% is subject to licensing and security requirements.

(b) to (d) The ordnance factories play a crucial role in meeting the defence requirements of the country and Government would continue to support and encourage the growth of ordnance factories, including important defence projects. The opening up of the defence industry sector to private sector participation, including foreign direct investment up to 26% both in terms of infusion of additional capital and state-of-the-art technology, is aimed at supplementing Government's effort in this sector.

Impact of US Economic slowdown on Indian Exports

1702. DR. ALLADI P. RAJKUMAR: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether there is perceptible downward trend in Indian exports as a result of economic slowdown in US;

(b) if so, the extend to which Indian exports have been affected; and

(c) the steps being taken to see that growth of Indian exports is maintained?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI DIGVIIJAY SINGH): (a) and (b) India's exports to USA during April-May, 2001-02 are Rs. 5690.33 crores in comparison to the exports of Rs. 6683.24 crores during the corresponding period of 2000-2001. It is too early to project the extent to which Indian exports could be affected, on the basis of figures available for April & May, 2001.

(c) The Government of India is working closely with Export Promotion Councils and other Apex Organisations to promote exports to the USA. In addition to this the new Market Access Initiative Scheme has been formulated for promoting global exports and particularly for the US. Government is constantly

receiving feedback from industry and intervention and facilitation is done, whenever found necessary.

Monitoring Indo-Myanmar Trade Treaty

1703. SHRI W. ANGOU SINGH: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) the measures taken up for development of infrastructures of commerce and industry relating to the Indo-Myanmar Trade Treaty;
- (b) whether Government are properly monitoring the pros and cons of the Indo-Myanmar Trade Treaty; and
- (c) if so, the details of benefits of the trade treaty?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI DIGVIJAY SINGH): (a) Among measures taken up for development of infrastructure for enhancing the trade and economic interaction between the two countries is the development of Tamu-Kalemyo-Kalewa road which connects Moreh-Tamu trade point to Kalewa and will link up further to Mandalay which is the second biggest city and commercial centre of Myanmar. Another measure is the construction of a Bailey bridge over river Tiau on which work has already commenced. This will further improve the transport connectivity between Champai (India)—Rih (Myanmar). Myanmar Government has agreed in principle that the Champai-Rih trade point provided for in the Border Trade Agreement could be operationalised thereafter. In addition, Government of India and State Governments have jointly taken up development of border towns so as to facilitate flow of trade. These measures would increase economic interaction between Myanmar and India's north-eastern region and promote development of these areas.

(b) and (c) The Government of India has been reviewing the status and progress of various Articles under the Indo-Myanmar Trade Treaty through periodical bilateral trade talks from time to time. The benefits of the Treaty may not be immediately visible, but, are expected to accrue to people on both sides in the long term.